
Virtual Worlds for Entertainment **Brand Worlds**

Product Management

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1 Executive Summary

Mankind is moving ever faster and more flexibly through our consumer world. The steadily rising number of brands is driving the industry to step up its investment in brand recognition and therefore brand loyalty.

Brands are made up of numerous attributes and are bought by the consumer because of these qualities. A drink brand, therefore, stands for much more than just a refreshing drink: the consumer associates being cool, young, fun and even adventuresome with the drink.

The passive, conventional internet presentations of many companies with well-known brand names quickly lose the interest of website visitors and may even turn these visitors away altogether. In the worst case, an unprofessional web presence can lead to damage to the brand and loss of customers.

The development of Virtual Worlds enables brand content to be better communicated. Brand attributes are better presented through the visual depiction of corresponding features or by the use of metaphors. The palette ranges from clubs to events to even games.

The value of consumer brands is generated above all through consumer awareness and trust. A study from the internet analysts of Jupiter Communications stresses that trust in a brand name raises the readiness to shop online for that brand by 52%.

The activities of adroit marketing professionals rapidly and efficiently lead to traffic: through appropriate offers within the community, visitors become members. The perfect mix of tracking, profiling, and incentive systems leads the community user to valuable information, which, in turn, enables the recognition of new trends as well as the design of consumer-specific offers.

With the employment of the Virtual Worlds Platform for Entertainment and the development of Virtual Worlds, brands are positioned to create a totally new field on the Internet. The platform, or rather the basic technology, enables the implementation of countless means of developing virtual environments, in which the user can communicate, role-play, and/or be entertained. In this environment, a Brand World can be created that satisfies the various interests of the consumers while, at the same time, indirectly strengthening brand recognition.

Motivated by opportunities for interaction and enlivened by entertaining content, consumers become frequent guests of and finally members of the Virtual World. This, in turn, ultimately results in a stronger affinity with the brand.

In the middle and long terms, this benefits the brand's image. A further benefit, among others, can be that the image could be filled out with additional attributes which can only be gained through the web presentation.

2 Market Overview

Current Market Conditions

The presence of brandname companies on the Internet is growing more and more in importance. Brought on by the explosion of offers from DotCom and MeToo firms, consumer individualization and product-access simplification require strengthening of brand recognition with help from the Internet.

Today's consumer is much more prepared to turn a cold shoulder to one product in favor of another. Particularly fickle and difficult to reach are younger target groups, for whom what is "in" today will probably be obsolete tomorrow. Under these conditions, one mistake made by the brandname producer or a bad experience had by the consumer can lead to permanent aversion to the brand.

On one hand, constant brand presence supported by corresponding advertising is required; on the other, brand image must be maintained and particular trends must be adapted to. For these purposes, the Internet offers a variety of communicative and interactive features.

The ideal solution for the strengthening of the brand is the construction of a virtual community in which the customer is introduced to an environment devoted specifically to the brand. Through the community, the company becomes acquainted with the customers – and their needs – and can then react with tailor-made offers.

Analysis

Big name brands concentrate on heavy exposure in order to keep the brandname in the minds of the consumer so that when it comes time to choose, theirs will be the preferred brand.

Traditional media advertising is one way to strengthen a brand. However, because more and more people are spending their time on the Internet, brand advertising must follow suit while being careful not to expect too much of the visitors' time or attention.

Traditional brand advertising does not ideally fit into the internet format because online advertising models offer less potential than, for instance, TV for the transmission of high quality commercials.

Advertising models such as superstitials (see glossary) do open up new possibilities, but they are still not up to the quality of TV or other offline media.

Brand strengthening through online advertising is only one of many alternatives. Constructing a virtual community, however, leads to a far-reaching relationship and added value between customer and company.

A study from Jupiter Communications summarizes the considerable advantages of developing a community (Virtual World) as follows:

- Generation of customer data: relevant information about the customer is managed through a combination of profiling and incentives. The use of an appropriate tracking system guides the visitor through the community and delivers data about visits, page impressions and advertising exposure.
- Research & Development: testing of new product ideas and concepts in small consumer groups. This relatively cost-effective method is one of the quickest paths to valuable consumer feedback.
- Strengthening of customer relationship: as a member of the community, one is "part of the family" and feels involved with, even committed to, the brand.
- Efficient word-of-mouth marketing: identification of loyal customers and their potential as 1:1 marketer. The customer as advocate.
- Cost savings through the publishing of product news and other information on the Internet.
- Online Own-brand Product Sales – sales support of online and offline traders through high click-through rates.
- Interaction among consumers: the community members exchange information and discuss common interests.

Conveyance of Brand Integrity on the Internet

Well-placed and often repeated advertising, an offline advertising strategy which the consumer is accustomed to, is just not sufficient for online presentation. Ultimately, consumers and the positive or negative experiences they have will define the future of internet brand presentations. Offline advertising will play a mere supporting role. Already, consumers are oriented toward real offers rather than advertising promises. In a survey from Jupiter Communications, 46% of those asked indicated that a poor presentation of a preferred website would turn them away—a threatening fact for any brand.

3 Solution: Virtual Worlds Platform for Entertainment

The speed of the market and the consumer's agility require brandname companies to strengthen their image through an equally powerful internet presence and to provide the consumer with the opportunity to interact with the brand/brand features.

The form of internet presence is a substantial aspect: the company, the brand and its vision presented as little more than an expanded, electronic, informative brochure will not have the desired effect. Because the passive format of the website leaves the visitor uninterested, one visit to this site will be enough for the visitor.

The ideal approach is the creation of a virtual community, or Virtual World. Interactive and multimedia elements involve the visitor in the "Virtual Brand World".

Within the Brand World, the conveyance of brand features is of greatest importance. The development of a community concentrated on a specific brand will hold the consumer's attention on certain associations and impressions, which will be mirrored in the user-interface: color, form, etc. Ultimately, the consumer should have the feeling of moving through a familiar world, a world, of course, in dialog and harmony with the brand.

For this purpose, the Virtual Worlds Platform for Entertainment offers limitless potential for design, from the creation of an HTML-based platform to the construction of an environment. Architectonically, anything is possible.

Through numerous opportunities for personal integration of members in the community, a solid basis for brand identification is formed – the highest form of brand loyalty.

3.1 Interactivity

In the Virtual Brand World, the consumer can, through an agent, contact the company or speak with other members of the community. The modes of communication are chat, instant messaging, user forums, bulletin boards and clubs. The consumer has the opportunity to actively participate in events and games within the community. Also encouraged to bring in original content, the consumer may leave messages on bulletin boards or even found a club.

Through interaction it can easily be learned where the interests, as well as the problems, of the customer lie. The information gained here will turn out to be of considerable significance to the company.

An adequate profiling system, ideally coupled with an incentive program, enables the gathering of this user-data. With its numerous features and modular design, the Virtual Worlds Platform for Entertainment makes this form of interactivity and measurability possible. For activity within the community, the customer collects points; and with increased involvement, the customer can raise her/his status in the community, entitling him/her to take part in other activities.

At last, the use of the Community Platform has fulfilled its purpose. Customers, as registered and active members of the community, remain in constant contact with the brand and with the company.

3.2 Profiling – Incentives

The brandname producer is anxious to become acquainted with the customers, as closely as possible, in order to collect information about them. The company wants to understand customer needs and problems, but also how eager the customer is to represent the company as 1:1 marketer to other potential customers. This value can only be realized when an exact customer profile exists. The customer is, however, not prepared to disclose these profile data without recognizable benefits.

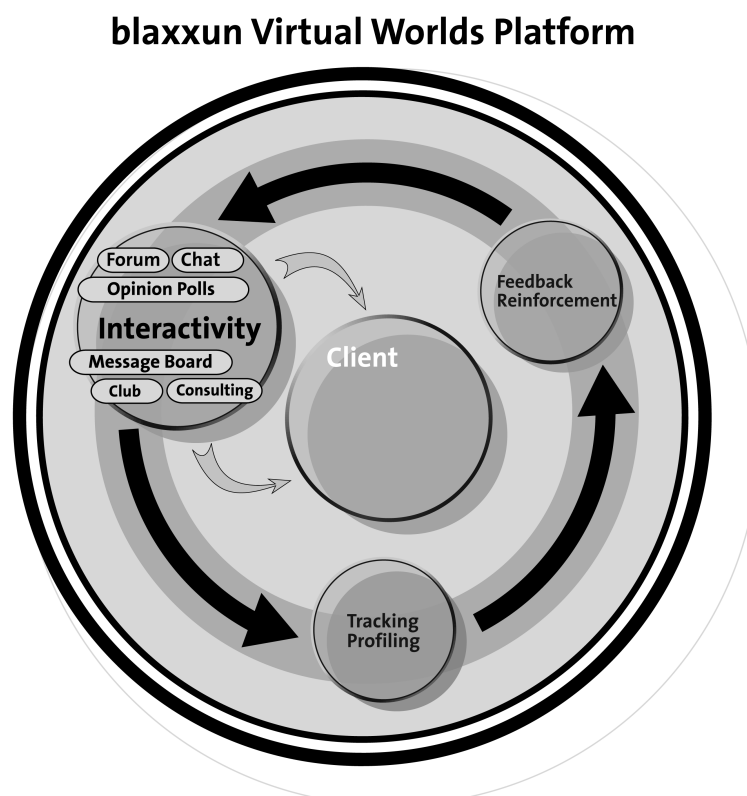
With a well thought-out profiling and incentive program, the company has access to these data (preferences, etc.). Assured of the intended use, the customer provides certain data in a multi-tiered query. On one hand, these queries can relate to incentives, on the other, to customer-specific offers.

In the case of implicit data collection, profile data can be generated through observation of the visitor—provided that a corresponding tracking system is in place. The incentive offered could take the form of points gained from participation in activities within the community, which could be later exchanged for “web-miles”.

3.3 Relationship Management

One goal is customer-brand commitment, which is the result of relationship management, made possible with the support of the Virtual Worlds Platform. Through the optimized utilization and coordination of communication and interactive tools, a far-reaching and permanent customer relationship develops. Documentation is effected through profiling and tracking, two important CRM tools. By analyzing and assessing customer behavior in the Virtual World, the customer can be addressed individually. The result is that the customer is permanently committed to the company. The ultimate goal is a long-term, mutually beneficial relationship between customer and company. Higher customer commitment ensures greater market penetration and market share, in that more customers become repeat customers and therefore loyal business partners. Essentially, the employment of relationship management tools in the Virtual World enables companies to optimize sales potential of existing customer relationships.

Figure 1: Relationship Management as substantial Platform Component.



4 Solution Architecture

Through the construction of a virtual community, a new world of experience is created which draws in and involves the customer through interaction. Breaking through the passiveness of other media, the customer can be directly addressed through the most varied of forms and immediately contribute his/her own feedback.

The blaxxun Virtual Worlds Platform for Entertainment offers a wide palette of scalable and expandable applications. All applications are adaptable to specific customer needs.

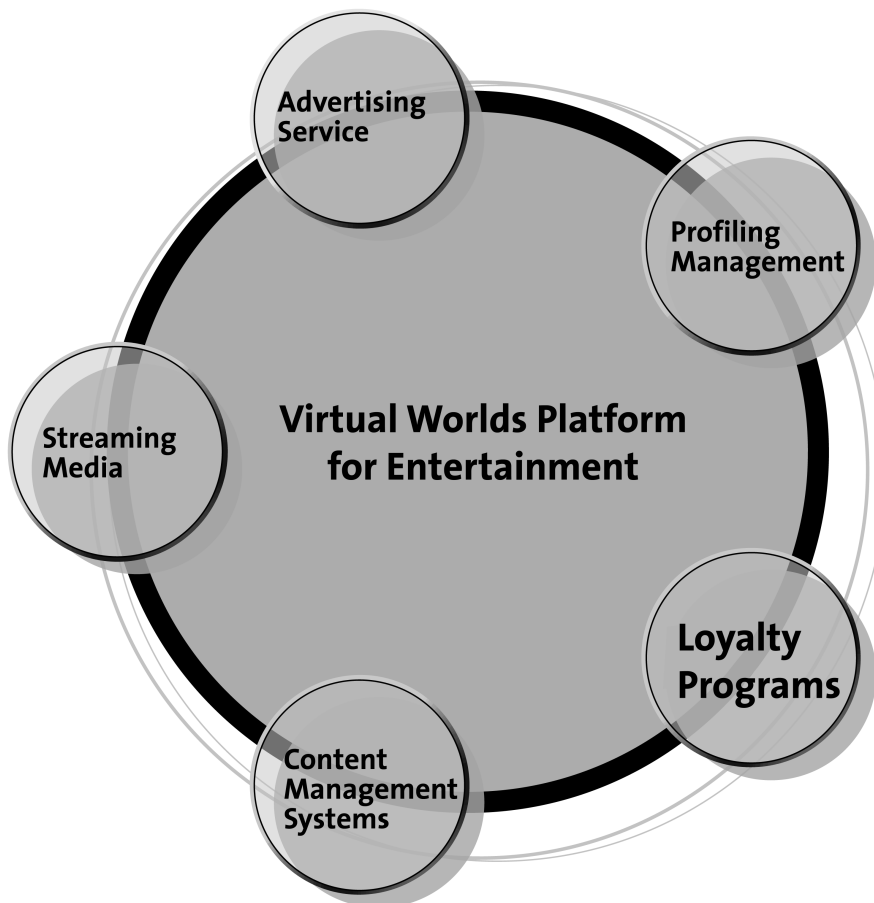
The platform architecture is quickly and flexibly integrated into existing systems through the consistent use of modern internet standards like HTML, Java, VRML, X3D and MPEG-4. Modular construction and customized templates enable rapid launch and allow for demonstrably high scalability.

The platform also comes with open interfaces which allow for connection to external systems (e-commerce, profile management, etc.) and equipment (mobiles, PADs, etc.).

The supporting technology enables the creation of an individual Brand World which meets all requirements:

- Advertising Services enable the statistical analysis of visits within the community, from page impressions to click-through rates of particular banners. Studies show that visit duration in 3D environments is considerably higher; accordingly, contact with advertising material is longer and more frequent.
- Streaming Media supports the presentation of certain content. Video as well as audio can be presented in the Brand World.
- A Content Management System is necessary for content administration. It can be connected through an interface on the platform.
- Loyalty Programs are coordinated with the incentive system, from which are defined which activities within the Brand World are to be rewarded and ultimately how these rewards appear to the customer.
- Merchandising is operated through the interlinking with an appropriate e-commerce platform. The integration of a “Virtual Store” makes product sales possible, including payment transactions. Complete customer service and visualization of products are also integrated.
- Profiling Management serves to generate customer data.

Figure 2: Expansion and Interfaces with External Services



5 Case Study

The implementation of the Virtual Worlds Platform for Entertainment can be demonstrated by means of a practical example:

A consumer by the name of Steven is interested in the internet presentation of a brandname product he has bought for quite some time. Curious by nature, Steven also wants to gather a bit of information about a concert sponsored by the brand while he's there.

Upon calling up the website, to Steven's amazement, he is greeted by a friendly virtual agent on a lively home page—not the drab text-laden site he's used to. The agent introduces herself as Steven's personal guide through the Brand World, asks Steven a few questions about himself and offers to show him around.

At first, Steven opts to have a look around on his own, finding his way remarkably fast. The Virtual World is, after all, derived from the brand image Steven already has in mind. Even the information offered and the activities are directly derived from this brand image.

Almost immediately, Steven finds the information he was seeking, and what's more, he easily recognizes the opportunity to inform himself about the concert. He can even buy the tickets! In a chat room, designed for these purposes, he meets and chats with others who are interested in this topic. A friendly agent is also on hand to answer any questions he may have.

The concert ticket purchase is accompanied by a few personal questions, which do not really bother Steven, considering that, in return, the tickets will be sent to him directly via e-mail. He even receives a voucher that entitles him to participate in a sweepstakes.

Moving along through the community, Steven discovers other activities, such as games and environments, as well as a chat room. He ascertains that he can found a club merely by providing information about his interests and taking care of the acquisition of members. For this, he can also use the message boards and the chat rooms. In addition, Steven receives points for this initiative, which can, in turn, lend him a higher status in the community. After he accumulates a certain number of points, he can exchange them for interesting perks.

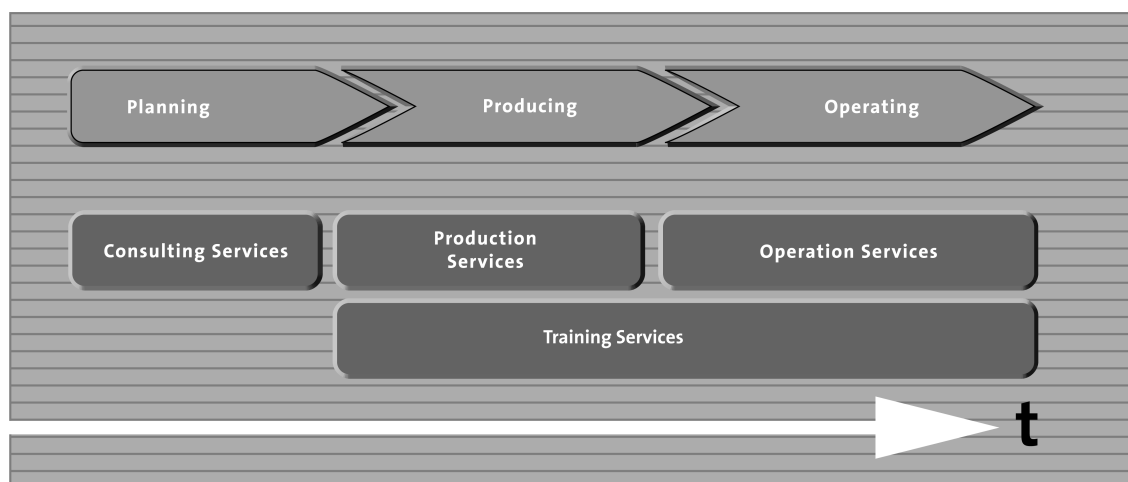
While reading the message board, Steven finds, among others, a question from a Brazilian member who is searching for a particular souvenir. Immediately, Steven feels drawn into the community: he has this item and is prepared to trade it.

Ultimately, Steven's attitude toward the brand has brightened after only one visit. For him, new doors have been unlocked. Steven will be back, often, to enjoy his involvement in the Virtual Brand World.

6 Steps to a Customized Virtual World

blaxxun supports its customers with the implementation of customized Virtual Worlds for Entertainment by offering a wide range of services: from business consulting, to development and implementation of Virtual Worlds, even to support and operation of the finished application.

Figure 3: blaxxun Professional Services delivers customer-specific support in all project phases.



Step 1: Planning

In the planning phase, blaxxun and the customer develop a business plan together, which involves, even in the case of external financing, all of the following significant aspects:

- Business Model and Goal Setting
- Market Analyses
- Production Concept
- Budget and Time Schedule
- Growth Strategies

It is blaxxun's goal to orient the solution optimally to the business objectives of the customer, who also benefits from blaxxun's experience with various business models. Grounded on

multifaceted project experience, blaxxun is able to initiate a project which is feasible within planned time and budget constraints.

Step 2: Development, Implementation, and Launch

Depending on the customer's particular situation, development, implementation and launch are performed either by blaxxun or an employee of the customer (trained by blaxxun) in the form of tailor-made training workshops.

When it comes to implementation, the customer profits from blaxxun's many years of experience with the most varied of system environments. Furthermore, blaxxun, with the customer's help, creates the social infrastructure of the community and brings the project's content and design to life.

Step 3: Operations

Community growth does not always occur linearly, but rather in growth surges, whose nature the operator should become acquainted with. A community is a sensitive entity and must be handled with care. Therefore, the interest of the members must always be weighed against the marketing interests of the operator.

blaxxun, having had experience with various blaxxun projects, supports the customer by conveying the current *best practice* in the areas of community development, partner strategies, member growth, and technological strategies. In this way blaxxun can assist customers in optimally forming their operation strategy for community and application management.

7 Glossary

Avatar

An avatar is a virtual character, who represents the visitor in the Virtual World. The avatar can take any form the visitor desires, even a realistic image of the visitor. Virtual agents and consultants are also represented by avatars.

Profiling

Profiling means the storing of so-called customer profiles. On one side of the coin, each bit of information which the customer must enter when registering is systematically recorded (this is customized to suit the needs of the operator); on the other side, profiling involves the recording of the customer's buying habits and preferences. With time, customers can easily be classified into groups, and thus can be more individually served by addressing their specific needs more precisely.

Superstitials

Special advertising windows which open while the user is reading a web page. With a 28-8 modem, loading of the ad takes between 30 and 60 seconds. After all data are called up, the window opens with the advertisement.

Tracking

The activities of the community user can be systematically assessed with the help of a tracking system. One learns, for instance, what the user clicks on, or where, how often and how long the user stays in the community. From this information much can be learned about the user's interests, preferences, and needs. Current marketing activities can then be reviewed, and direct marketing campaigns can be developed.

Virtual World

Virtual Worlds connect people and businesses, enabling more natural communication and interaction online. Diverse opportunities for interaction are brought to websites with a Virtual World, from simple chat, to communities to even Virtual Worlds with a lively social infrastructure – The New Generation of Communities.

Virtual Worlds Platform for Entertainment

The Virtual Worlds Platform for Entertainment is a modular client-server system that embraces the areas of multimedia (audio, video), multi-user (user administration, access privileges) and community (chat, message boards, forums and clubs) technologies. In the Virtual Worlds Platform 5 for Entertainment, these basic technologies are seamlessly integrated to enable the construction and operation of interactive environments on the Internet—Virtual Worlds. The architecture of the Virtual Worlds Platform for Business is quickly and flexibly integrated into existing systems due to consistent application of modern internet standards like Java, HTML, VRML, X3D and MPEG-4. Modular construction and customized templates make rapid commissioning possible and allow for demonstrably high scalability.

Other white papers are available for the target fields

Virtual Worlds for Entertainment (Interest, Media)
E-Commerce
Business

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